

**MINUTES OF THE  
REVENUE AND TAXATION INTERIM COMMITTEE**  
Wednesday, June 17, 2009 – 2:00 p.m. – Room 445 State Capitol

**Members Present:**

Sen. Wayne L. Niederhauser, Senate Chair  
Rep. Todd E. Kiser, House Chair  
Sen. Curtis S. Bramble  
Sen. Ross I. Romero  
Sen. Howard A. Stephenson  
Sen. John L. Valentine  
Rep. Tim M. Cosgrove  
Rep. Susan Duckworth  
Rep. Gage Froerer  
Rep. Kevin S. Garn  
Rep. Francis D. Gibson  
Rep. Wayne A. Harper  
Rep. Christine A. Johnson  
Rep. Carol Spackman Moss  
Rep. Evan J. Vickers  
Rep. R. Curt Webb

**Members Absent:**

Rep. John Dougall  
Rep. Gregory H. Hughes  
Rep. Stephen E. Sandstrom

**Staff Present:**

Mr. Phillip V. Dean, Policy Analyst  
Mr. Bryant R. Howe, Assistant Director  
Ms. Angela D. Oakes, Associate General Counsel  
Ms. Rebecca L. Rockwell, Associate General Counsel  
Mr. Jacob Wright, Research Assistant  
Ms. Phalin L. Flowers, Legislative Secretary

**Note:** A list of others present, a copy of related materials, and an audio recording of the meeting can be found at [www.le.utah.gov](http://www.le.utah.gov).

**1. Committee Business**

Chair Kiser called the meeting to order at 2:10 p.m.

**MOTION:** Rep. Harper moved to approve the minutes of the May 20, 2009 meeting. The motion passed unanimously with Sen. Bramble, Sen. Valentine, and Rep. Garn absent for the vote.

Chair Kiser distributed and discussed "Working Groups, Revenue and Taxation Interim Committee."

**MOTION:** Rep. Gibson moved to approve the establishment of three working groups to study local option transportation sales and use taxes, property taxes, and tax penalties and tax credit apportionment. The motion passed unanimously with Sen. Bramble, Sen. Valentine, Rep. Garn, and Rep. Vickers absent for the vote.

**2. Study Required by Statute - Review of Brine Shrimp Royalty Act**

Mr. Dean distributed and discussed *Utah Code Ann.* Title 59, Chapter 23, "Brine Shrimp Royalty Act," and "Brine Shrimp Royalty Revenues." He gave background information on the act and explained that the Committee is required by statute to review this act every five years.

Mr. Don Leonard, President, Utah Artemia Association, gave a history on how the brine shrimp industry was started and spoke in support of retaining the current royalty statutes.

Ms. Pam Hendrickson, Commission Chair, Utah State Tax Commission (Tax Commission), said the brine shrimp royalty is one of the simplest taxes the Tax Commission administers.

Mr. Michael Styler, Director, Utah Department of Natural Resources, gave a brief history on how the brine shrimp royalty was started. He explained that the money collected from the royalty is used to help endangered species in Utah.

Sen. Niederhauser requested that staff draft legislation to make technical changes related to the Brine Shrimp Royalty Act.

### **3. Imposition of Property Taxes by Local Entities with Non-Elected Boards**

Ms. Oakes distributed and discussed "Types of Local Districts" and "National Sample of Local Service and Special Service Districts -- Taxing Authority for Taxing Entities with Nonelected Boards or Officials." She gave a summary of the types of local districts in Utah, the taxing authority of local districts, and samples of local districts in other states.

Mr. Wright distributed and discussed "Water-Related Special District Authority in Western States." He gave a summary of the taxing authority of water-related special districts in western states, and whether the boards of those districts are appointed or elected.

Mr. Robert Rees, Associate General Counsel, Office of Legislative Research and General Counsel, distributed and discussed "Effect of S.B. 135, Local District Taxing Authority" and 2009 General Session S.B. 135, "Local District Taxing Authority." He discussed changes that were made during the 2009 General Session addressing a service area's taxing authority.

Mr. LeGrand Bitter, Executive Director, Utah Association of Special Districts, explained that his organization is working to address issues regarding the accountability local districts have with their taxing authority.

Mr. Mark Anderson, General Counsel, Utah Association of Special Districts, gave an overview of cemetery maintenance districts and drainage districts in Utah. He raised issues with changing the taxing authority of nonelected boards of local districts.

Mr. Mike Wilson, General Manager, Metropolitan Water District of Salt Lake and Sandy, distributed and discussed "Metropolitan Water District of Salt Lake & Sandy." He gave an overview of the district and its purpose. He stated that the district has accountability to its member cities.

Mr. John Kirkham, Vice Chair, Board of Trustees, Metropolitan Water District of Salt Lake and Sandy, answered committee questions regarding the district.

Mr. Denny Lytle, Director, Property Tax Division, Tax Commission, answered committee questions regarding property tax revenues and rates.

Mr. Lincoln Shurtz, Utah League of Cities and Towns, answered committee questions about requiring cities and towns to hold truth in taxation hearings to raise property taxes for local districts and said his organization is willing to work with the Legislature on this issue.

**4. Other Items / Adjourn**

**MOTION:** Rep. Webb moved to adjourn the meeting. The motion passed unanimously with Rep. Harper absent for the vote.

Chair Kiser adjourned the meeting at 4:15 p.m.

**5. Working Groups**

After the meeting adjourned, the various working groups met.